

# CIA said to fear suit by Moore

## Agency official tells of decision on reinstatement

The Central Intelligence Agency reinstated Edwin G. Moore 2d after his 1967 acquittal on arson charges with strong reservations because of a fear he would sue the CIA for improper suspension and "the agency could be made to appear morally wrong," the CIA's associate general counsel testified yesterday.

Richard H. Lansdale, who participated in the reinstatement decision, testified as a government witness in Mr. Moore's espionage trial in United States District Court, that Richard M. Helms, the former director of central intelligence, agreed that it would be better to take back Mr. Moore than risk a suit.

Mr. Lansdale identified several secret exhibits, presented by Daniel F. Goldstein, an assistant United States attorney, that outlined the decision-making process and listed three possible courses of action in the Moore affair.

Mr. Moore, who had joined the CIA in 1962, was arrested in the headquarters building in 1961 and charged with arson in connection with a blaze that destroyed a North Carolina resort earlier that year. He was placed on an "enforced leave without pay" and terminated in May, 1963, after his conviction.

But after an appeal, a mistrial, and a third trial in which he was acquitted, Mr. Moore applied for immediate reinstatement. In his opening statement, Courtland K. Townsend, Jr., Mr. Moore's lawyer, said his client would testify that there had been some sort of CIA involvement in the blaze.

Various memoranda prepared for Lawrence A. Houston, the CIA's general counsel, concluded that the CIA had broken Civil Service rules by suspending and terminating Mr. Moore before he had exhausted all means of appeal and that these "questionable personnel actions" could be damaging in court.

The once-secret documents say that Mr. Moore was suspended by the acting CIA director but do not list any reason. One memo prepared for Mr. Houston by J. Phillip DeCarlo, with many handwritten comments, declares that after exhaustive study, "I do not find in his official file any request from Responsible Authority to suspend Mr. Moore for security violations."

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Mr. Houston then sent the memo to Emmett D. Echols, the CIA personnel director, with the cover note: "Emmett—Attached is an analysis of the Edwin G. Moore case. It is perhaps stated in the worst possible light and I am not sure I agree with some of the conclusions on the proposals. However, it serves to illustrate the fact that we have a problem."

Mr. Echols then prepared a memo for the CIA head listing options in the Moore situation. He could be refused reinstatement "based on his record of marginal performance," reappointed to his old grade without back pay "as official recognition to the public that CIA has accepted his acquittal," or reinstated with full back pay for "complete public vindication."

"Failure to re-employ could be made to appear morally wrong," Mr. Echols wrote in urging adoption of the last option, "since separation from CIA carries more than normal adverse connotations. Failure to remove the stigma would indicate that the CIA was utterly indifferent to the cause of justice and the welfare of individuals."

"Even though CIA could with considerable justification decline to re-employ on the grounds of marginal past performance, the explanation would not ring true in the courts or the public," he concluded.

When agency officials decided on the third alternative and to watch Mr. Moore "very closely," Mr. Echols recommended that course to Mr. Helms. The CIA director signed that recommendation on September 27, 1967, and Mr. Moore was issued \$33,902.31 for six years' back pay on a check drawn on a private CIA account at the Schroder Trust Company of New York.

"This reinstatement was, on the whole, quite unusual," Mr. Lansdale admitted under cross-examination.

Despite the testimony of the involvement of the head of the CIA in personnel matters, George H. W. Bush, who was President Ford's CIA director, testified yesterday that in the days following Mr. Moore's arrest, he designated matters surrounding the possible security breach to his deputy, E. Henry Knoche.

Mr. Bush, another government witness, testified under examination by Thomas L. Crowe, an assistant United States attorney, there was "no question in my mind" that Mr. Moore's alleged offer to sell two 1973 CIA phone directories to the Russians for \$200,000 in an initial "penetration" scheme, would have harmed national security, "particularly if it fell into the hands of a foreign intelligence operation."

But when Mr. Townsend questioned

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Mr. Sullivan testified that when the FBI finally entered the case, it obtained a list of "five former disgruntled" CIA employees who lived near Fort Sumner road in Bethesda, Md., the "drop" site mentioned in the note. Among the names was Mr. Moore's, he said, and the site was directly across from his home.

Mr. Moore was the "prime suspect" in the case, he testified. But under cross-examination, Mr. Sullivan said the FBI was so frightened about the potential threat to national security, "it didn't matter who the hell was the suspect in the case. We were going to pick up whoever picked up the package."

Mr. Sullivan said the package was dropped off and his agents were instructed to arrest only men who would pick it up "since you would not expect a girl or a woman to engage in intelligence for the Soviets by herself."

When Mr. Moore, who had been under surveillance, picked it up, he told his men, "Go get him."

In an attempt to support a defense contention that Mr. Moore might have been "set up" in the whole affair by the CIA, Mr. Townsend asked him several questions about CIA-FBI involvement in other illegal acts, such as the Watergate break-in. "I don't think the CIA would notify the FBI of an illegal act," Mr. Sullivan replied.

Judge Frank A. Kaufman announced yesterday that both sides had agreed to drop moves to present polygraph evidence that Mr. Townsend contends proves that Mr. Moore "is not telling an untruth" when asked about the "set up" but that Mr. Crowe's expert, the polygrapher who tested Patricia C. Hearst, contends is faulty.

With Mr. Moore's consent, the judge declared that the trial will not be bifurcated and the jury will continue to hear evidence surrounding Mr. Moore's diagnosed paranoia.